

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

HALE & HEARTY SOUPS L.L.C.,

Debtors.

Chapter 7

Case No. 22-11285 (JLG)

**SUPPLEMENTAL DECLARATION OF GABRIEL FRIED IN SUPPORT OF
CHAPTER 7 TRUSTEE’S MOTION FOR ENTRY OF AN ORDER
(I) AUTHORIZING AND APPROVING ENTRY INTO STALKING HORSE
AGREEMENT AND RELATED BID PROTECTIONS IN CONNECTION WITH
THE SALE OF CERTAIN INTANGIBLE ASSETS; (II) MODIFYING THE
BIDDING PROCEDURES; AND (III) GRANTING RELATED RELIEF**

I, Gabriel Fried, declare as follows under penalty of perjury:

1. I am CEO of Hilco IP Services, LLC, d/b/a Hilco Streambank (“Hilco Streambank”), an intangible asset and intellectual property brokerage firm, which has been retained by Gregory M. Messer, the chapter 7 trustee (the “Trustee”) of the estate (the “Estate”) of Hale & Hearty Soups L.L.C. (the “Debtor”).

2. On January 20, 2023, the Trustee moved the court for entry of orders approving, among other things, (I) bidding procedures in connection with a sale of all or substantially all of the Estate’s Assets free and clear of liens, claims, encumbrances and other interests, and (II) authorizing sale of all or substantially all of the Estate’s Assets free and clear of liens, claims, encumbrances and other interests (the “Sale and Bidding Procedures Motion”) [Docket No. 38].

3. On February 23, 2023, the Court entered an order granting a portion of the relief sought in the Sale and Bidding Procedures Motion (the “Bidding Procedures Order”) [Docket No. 57].

4. On February 27, 2023, the Trustee moved the court, seeking, among other things, (I) authorization for the Trustee to enter into an asset purchase agreement with a stalking horse bidder; and (II) approval of certain bidding protections (the “Stalking Horse Motion”) [Docket No. 62].

5. On February 27, 2023, I submitted a declaration (the “Fried Declaration”) [Docket No. 64] in support of the relief requested in the Stalking Horse Motion. The statements made in the Fried Declaration are restated and incorporated herein, and any capitalized terms used but not defined herein shall have the meanings ascribed to them in the Fried Declaration.

6. I submit this supplemental declaration (this “Supplemental Declaration”) to provide a factual account of events that have transpired since my submission of the Fried Declaration.

7. A hearing to approve the Stalking Horse Motion was scheduled for March 23, 2023 (the “Stalking Horse Motion Hearing”). The deadline to object to the Stalking Horse Motion was March 16, 2023. The Trustee received no objections to the Stalking Horse Motion by the objection deadline.

8. On March 21, 2023, between the filing of the Stalking Horse Motion and the Stalking Horse Motion Hearing, the Trustee received an additional, executed stalking horse agreement (the “Hearty Acquisitions Stalking Horse Bid”) from Hearty Acquisitions, LLC, a New York limited liability company (“Hearty Acquisitions”) for the sale of the Assets. The total purchase price for the Hearty Acquisitions Stalking Horse Bid was cash consideration in the amount of \$400,000, subject to higher or otherwise better offers. Along with the submission of the Hearty Acquisitions Stalking Horse Bid, on March 22, 2023, Hearty Acquisitions also submitted a good faith deposit in the amount of \$305,000. Subject to Court approval, the Hearty

Acquisitions Stalking Horse Bid contains identical Bid Protections to the Stalking Horse Bid submitted by Schnipper Restaurants LLC, i.e.: (i) a break-up fee of 3% of the purchase price (\$12,000); and (ii) an expense reimbursement of not more than \$15,850 on account of actual, documented out of pocket expenses associated with the Hearty Acquisitions Stalking Horse Bid, which equals, in the aggregate, \$27,850, representing Bid Protections \$2,850 higher than the Bid Protections requested in the Stalking Horse Bid on account of the higher consideration offered in the Hearty Acquisitions Stalking Horse Bid.

9. I understand that the purchase price set forth in the Hearty Acquisitions Stalking Horse Bid was subject to the granting of the bid protections set forth therein.

Dated: March 22, 2023



Gabriel Fried
CEO
Hilco IP Services, LLC d/b/a Hilco Streambank